



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

April 6, 2006

H.R. 3418 **Central Texas Water Recycling Act of 2006**

As ordered reported by the House Committee on Resources on March 29, 2006

SUMMARY

H.R. 3418 would authorize the Secretary of the Interior to participate in the design, planning, and construction of facilities to recycle water in McLennan County, Texas. The bill would limit the federal share of this project to 25 percent of its total cost.

Assuming appropriation of the necessary funds, CBO estimates that implementing H.R. 3418 would cost \$5 million over the 2007-2011 period and an additional \$1 million after that period. Enacting this legislation would not affect direct spending or revenues. H.R. 3418 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would impose no costs on state, local, or tribal governments.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of H.R. 3418 is shown in the following table. The costs of this legislation fall within budget function 300 (natural resources and environment).

	By Fiscal Year, in Millions of Dollars				
	2007	2008	2009	2010	2011
CHANGES IN SPENDING SUBJECT TO APPROPRIATION					
Estimated Authorization Level	1	1	1	1	1
Estimated Outlays	1	1	1	1	1

BASIS OF ESTIMATE

For this estimate, CBO assumes that H.R. 3418 will be enacted near the start of fiscal year 2007 and that the necessary amounts will be appropriated in equal installments over the 2007-2012 period.

The Bureau of Reclamation has not yet reviewed any of the planning documents for the Central Texas Water Recycling Project. According to the nonfederal partner for this project, the city of Waco, Texas, the total estimated cost of the project is \$25 million. For this estimate, CBO assumes the federal share of the project would be \$6 million. Based on historical spending patterns of similar projects, CBO estimates that implementing this bill would cost \$5 million over the 2007-2011 period and an additional \$1 million after that period.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

H.R. 3418 contains no intergovernmental or private-sector mandates as defined in UMRA and would impose no costs on state, local, or tribal governments. The bill would authorize the Secretary of the Interior to design, plan, and construct a system for recycling water that would benefit local governments participating in the Central Texas Water Recycling and Reuse Project. Any costs they might incur to provide matching funds would result from complying with conditions for receiving federal assistance.

ESTIMATE PREPARED BY:

Federal Costs: Julie Middleton

Impact on State, Local, and Tribal Governments: Lisa Ramirez-Branum

Impact on the Private Sector: Craig Cammarata

ESTIMATE APPROVED BY:

Peter H. Fontaine

Deputy Assistant Director for Budget Analysis